

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



November 20, 1991

ALL COUNTY LETTER NO. 91-116

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: SOCIAL SECURITY COST-OF-LIVING INCREASES

Social Security recipients will receive a 3.7 percent cost-of-living increase in their Social Security benefits effective December 1, 1991, which is payable January 1992. The new Social Security benefit amount can be determined by multiplying the "old" Social Security benefit amount by 1.037. This increase will affect cash assistance grant and Food Stamp allotment amounts and could affect eligibility for Aid to Families with Dependent Children (AFDC) including AFDC/Foster Care, Refugee Cash Assistance (RCA), Entrant Cash Assistance (ECA), and Food Stamp cases. If the grant or allotment amounts are adjusted due to the Social Security benefit increase, the requirements for a timely and adequate Notice of Action shall apply.

Payment Verification System (PVS) COLA Notification

SDSS will not be providing additional notification of the SSA cost-of-living increase via the Payment Verification System (PVS). However, upon request, a cost-of-living printout or magnetic tape will be provided to the counties. The COLA printouts will not be subject to the 45-day timeliness requirements of the Income Eligibility Verification System (IEVS).

AFDC, RCA, RDP, ECA and Food Stamp Monthly Reporting Cases

For continuing cases, the Social Security increase must be reported on the January 1992 CA 7, due in February 1992, and retrospectively budgeted to determine grant and allotment amounts for March 1992. These increases must also be considered prospectively when determining income eligibility for the month of January.

Food Stamp Nonmonthly Reporting Cases


CWDs are required to automatically adjust the Food Stamp benefits to reflect the Social Security COLA no later than the second allotment issued after the month in which the change becomes effective for nonmonthly reporting households (Manual Section 63-504.46). Therefore, the increase would have to be reflected no later than the March 1992 Food Stamp allotment.

All New Applicants (AFDC, RCA, ECA and FS)

For new applicants, the actual amount of the Social Security benefit shall be used for prospective eligibility and budgeting purposes.

Per Manual Section 63-504.462(b)(1)(A), no household shall be held liable for any Food Stamp overissuance resulting from the CWD's misapplication of the 3.7 percentage increase factor. If an underissuance of Food Stamp benefits occurs, the household will be entitled to a restoration of lost benefits in accordance with Manual Section 63-802.

If you wish to receive your county's printouts or magnetic tape for COLA, please contact Gary Scriven of the Fraud Program Management Bureau at (916) 445-1851 or Maureen Paizs at (916) 445-3417 no later than January 10, 1992. If you have any Food Stamp questions, please contact Michele Carotti at (916) 654-1405, or for AFDC questions, please contact LeAnne Torres at (916) 654-1047 both of the Welfare Policy Implementation Bureau.


ROBERT A. HOREL
Deputy Director

cc: CWDA